

UNITED STATES BANKRUPTCY COURT
for the
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES COURTHOUSE AND FEDERAL BUILDING
280 SOUTH FIRST STREET, ROOM 3035
SAN JOSE, CALIFORNIA 95113-3099

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UNITED STATES BANKRUPTCY JUDGE

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CHAPTER 11 STATUS CONFERENCE CHECKLIST

The Purpose Of The Status Conference

- To review the court's expectations regarding management of the case.
- To begin developing a schedule for the case

Complying With The Requirements Of The Bankruptcy Code And Rules

The court expects strict compliance with the Code and Rules. Failure to comply with the following requirements often leads to an early conversion of the case:

- Monthly Operating Reports. Bankruptcy Local Rule 2015-2 requires monthly operating reports and tax reports to be filed on the 20th day of each month.
- Quarterly United States Trustee Fees. 28 U.S.C. § 1930(a)(6) requires a quarterly fee to be paid to the United States Trustee. The amount of the fee will depend upon the amount of disbursements made by the debtor during each quarter.
- Cash Collateral. 11 U.S.C. § 363(c)(2) prohibits the use of cash collateral unless the debtor has either the consent of each creditor having an interest in the collateral or an order from the court.
- Ordinary Course of Business. 11 U.S.C. § 363(c)(1) authorizes the debtor to enter into transactions in the ordinary course of business without notice and a hearing. If not in the ordinary course of business, notice and a hearing is required.
- Post Petition Taxes. The court expects all post petition taxes to be paid timely and all required tax returns to be timely filed.
- Funds of the Estate. Bankruptcy Local Rule 2015-1 requires all estate funds to be deposited and maintained in a debtor-in-possession (DIP) bank account.

Developing A Schedule For The Case

How much time will the court give the debtor to reorganize?

- The debtor will be given a reasonable time to reorganize. How much time is reasonable depends on the circumstances of the case, the debtor's compliance with the Bankruptcy Code and Rules and the debtor's progress toward a successful reorganization.

What is the reorganization goal?

- ___ Generating cash for creditors by the sale of some or all of the debtor's assets.
- ___ Raising cash through borrowing or an infusion of capital such as a sale of stock.
- ___ Becoming profitable and paying creditors through future profits.

When is a reorganization plan and disclosure statement likely to be filed?

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- The reorganization effort case will normally be terminated by a conversion of the case to Chapter 7 and the liquidation of assets by a trustee. Conversion normally occurs as a result of a motion brought by one of the creditors of the United States Trustee.